



Macomb County, Michigan

**Schedule of Expenditures of Federal Award
Programs in Accordance with OMB Circular A-133
December 31, 2004**

Macomb County, Michigan

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December 31, 2004

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**Report of Independent Auditors on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

To the Board of Commissioners
Macomb County, Michigan

We have audited the financial statements of Macomb County, Michigan (the "County") as of and for the year ended December 31, 2004, and have issued our report thereon dated June 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County's Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

June 24, 2005

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Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Board of Commissioners
Macomb County, Michigan

Compliance

We have audited the compliance of Macomb County, Michigan (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2004. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2004, and have issued our report thereon dated June 24, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County's Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is cursive and fluid, with "PricewaterhouseCoopers" on the top line and "LLP" on the bottom line.

June 24, 2005

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U.S. Department of Agriculture					
Passed through State Department of Community Health					
WIC - Special Supplemental Nutrition for Women, Infants, and Children	10.557	10/01/03	09/30/04	\$ 919,292	\$ 919,292
Passed through Area Agency on Aging I-B					
Congregate Nutrition Program	10.558	10/01/03	09/30/04	91,940	91,940
Home Delivered Meals - USDA	10.558	10/01/03	09/30/04	200,487	200,487
Passed through State Department of Education					
National School Breakfast	10.553	(1) 10/01/03	09/30/04	43,466	43,466
National School Lunch	10.555	(1) 10/01/03	09/30/04	66,992	66,992
Head Start-Children Meals Program	10.558	09/01/03	08/31/04	249,658	249,658
TEFAP Surplus Food Distribution Emergency Food Assistance - Administrative	10.568	(1) 10/01/03	09/30/04	70,221	70,221
TEFAP Emergency Food Assistance - Commodities	10.569	(1) 10/01/03	09/30/04	188,808	188,808
USDA Commodities - Food Donations	10.550	10/01/03	09/30/04	22,223	22,223
Passed through State Department of Career Development					
Food Stamp Distribution - MI Works	10.561	10/01/03	09/30/04	207,315	10,514
Total U. S. Department of Agriculture				<u>2,060,402</u>	<u>1,863,601</u>

* Denotes a major program.

(1) Denotes a cluster.

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year			
		From	To					
U.S. Department of Housing and Urban Development								
Direct Programs								
Community Development Block Grant (B-02-UC-26-0005)	14.218	(1)	01/01/04	12/31/04	1,924,000			
Community Development Block Grant (B-03-UC-26-0005)	14.218	(1)	01/01/04	12/31/04	2,001,000			
Community Development Block Grant (B-04-UC-26-0005)	14.218	(1)	01/01/04	12/31/04	-			
Home Investment Partnership # M-00-UC-26-0209	14.239	01/01/04	12/31/04	614,000	430,152			
Home Investment Partnership #M-01-U-26-0209	14.239	01/01/04	12/31/04	687,000	93,056			
Home Investment Partnership # M-02-UC-26-0209	14.239	01/01/04	12/31/04	684,000	156,524			
Home Investment Partnership # M-03-UC-26-0209	14.239	01/01/04	12/31/04	753,679	1,832			
Home Investment Partnership #M-04-UC-26-0209	14.239	01/01/04	12/31/04	856,991	-			
Passed through other than State of Michigan								
CSA Chore Services - Cities	14.219	(1)	10/01/03	09/30/04	<u>121,552</u>			
Total U. S. Department of Housing and Urban Development				<u>9,626,222</u>	<u>121,552</u>			
					<u>2,380,618</u>			

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

U.S. Department	Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
			From	To		
U.S. Department of Justice						
Direct Programs						
Zero Tolerance		16.592	10/01/03	09/30/04	37,390	37,390
COPS-in-Schools Grant Program		16.710	01/01/04	12/31/04	125,000	84,364
COPS-in-Schools - Romeo		16.710	01/01/04	08/31/04	65,229	65,229
Drug Free Communities Support Program		16.729	10/01/03	09/30/04	75,000	75,000
Passed through Michigan State Police - EMD						
Homeland Security Grant		16.007	01/01/04	12/31/04	157,873	157,873
SHSGP Part II - SAP		16.007	10/01/03	12/31/04	58,000	25,571
SHSGP Exercise Grant		16.007	08/01/03	07/31/05	17,000	3,887
Passed through State Family Independence Agency						
Juvenile Accountability Incentive Block Grant		16.523	04/01/03	03/31/04	292,380	291,777
Passed through State Department of Community Health						
Substance Abuse Treatment/Urinalysis		16.579	*	10/01/03	09/30/04	105,000
Anti- Drug Abuse		16.579	*	10/01/03	09/30/04	125,400
Street Level Enforcement Team		16.579	*	10/01/03	09/30/04	197,600
BYRNE Formula Grant Program		16.579	*	10/01/03	09/30/04	106,484
Domestic Violence Victim Advocate		16.575	10/01/03	09/30/04	112,539	104,022
Juvenile Drug Court - BYRNE Formula Grant		16.579	*	10/01/03	09/30/04	100,000
Passed through Michigan State Court Administrative Office						
Adult Drug Court - BYRNE Formula Grant Program		16.579	*	10/01/03	09/30/04	225,000
Total U. S. Department of Justice					<u>1,790,395</u>	<u>1,630,464</u>

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Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U.S. Department of Labor					
Passed through Department of Career Development - ESA					
Wagner - Peyer - ES-7A	17.207	01/01/04	12/31/04	1,451,349	1,458,864
Wagner - Peyer - Reemployment	17.207	01/01/04	12/31/04	176,528	181,862
Passed through DLEG-Office of Workforce Development					
Trade Adjustment Assistance (TAA) / NAFTA	17.245	10/01/03	09/30/04	877,453	877,453
Passed through State Department of Career Development					
Workfirst - Welfare to Work	17.253	10/01/03	09/30/04	332,584	98,948
Workforce Investment Act - Adult	17.258	(1) *	01/01/04	12/31/04	5,079,645
Workforce Investment Act - Youth Activities	17.259	(1) *	01/01/04	12/31/04	3,932,860
Workforce Investment Act - Dislocated Workers	17.260	(1) *	01/01/04	12/31/04	7,440,057
Workforce Investment Act - One Stop Service Center	17.260	(1) *	10/01/04	09/31/04	458,673
Workforce Investment Act - National Emergency Grants	17.260	(1) *	01/01/04	12/31/04	458,673
Workfirst - REED	17.225	10/01/03	09/30/04	237,751	237,751
Workfirst - REED Type B	17.225	10/01/03	09/30/04	2,565,567	2,564,567
Total U.S. Department of Labor				58,249	59,796
U.S. Department of Transportation					
Passed through Department of State Police					
Belt Enforcement	20.600	10/01/03	09/30/04	197,395	197,395
Operation Nightcap	20.600	10/01/03	09/30/04	54,445	54,445
Hazardous Materials Emergency Preparedness Grant	20.703	10/01/03	09/30/04	5,850	17,263
Total U.S. Department of Transportation				257,690	269,103
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Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U. S. Department of Treasury - Bureau of Alcohol, Tobacco & Firearms					
Direct Program	21.053	01/01/03	12/31/04	<u>168,984</u>	<u>172,072</u>
U.S. Office of Small Business Administration					
Direct program	59.037	01/01/04	12/31/04	<u>164,000</u>	<u>164,000</u>
U.S. Environmental Protection Agency					
Passed through State Department of Environmental Quality					
Radon Requirements	66.032	10/01/03	09/30/04	<u>2,750</u>	<u>2,750</u>
Clinton River Ggeomorphology	66.460	12/07/03	12/31/04	<u>125,000</u>	<u>38,809</u>
Noncommunity Water-Operator Certification	66.471	10/01/03	09/30/04	<u>5,200</u>	<u>5,200</u>
Passed through State of Michigan Department of Treasury					
State Revolving Fund Issue 2186-03	66.458	10/01/03	09/30/04	<u>29,936</u>	<u>29,936</u>
State Revolving Fund Issue 2186-04	66.458	10/01/03	09/30/04	<u>122,453</u>	<u>122,453</u>
State Revolving Fund Issue 2186-05	66.458	10/01/03	09/30/04	<u>187,333</u>	<u>187,333</u>
Total U.S. Environmental Protection Agency				<u>472,672</u>	<u>386,481</u>
U. S. Department of Energy					
Passed through Michigan Family Independence Agency					
Weatherization Assistance for Low-Income Persons	81.042	04/01/03	03/31/04	<u>546,752</u>	<u>546,752</u>

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U. S. Federal Emergency Management Agency					
Direct Program					
Emergency Food and Shelter Program	97.024	12/01/03	11/30/04	141,023	141,023
Passed through State Department of State Police	97.042	10/01/03	09/30/04	44,286	44,860
Emergency Management Performance Grant	97.039	03/23/04	09/30/04	120,000	42,845
Hazard Mitigation	97.051	01/01/04	10/15/04	37,397	37,397
2002 Supplemental Funds	97.004	*	08/01/04	467,795	35,033
2004 LETPP	97.004	*	08/01/04	1,534,638	260,155
2004 State Homeland Security	97.004	*	03/01/04	339,082	5,502
SMSGP Part II - Training	97.036	01/01/04	12/31/04	112,701	112,701
2003 Black Out					
Total U.S. Federal Emergency Management Agency				<u>2,796,922</u>	<u>679,516</u>
U.S. Department of Health and Human Services					
Direct Program					
Head Start	93.600	09/01/03	08/31/04	5,217,133	5,217,133
Passed through Area Agency on Aging 1-B					
Home Injury Control	93.044	(1)	10/01/03	09/30/04	23,577
Legal Assistance	93.044	(1)	10/01/03	09/30/04	41,220
Senior Citizen Chore Services	93.044	(1)	10/01/03	09/30/04	79,463
Title III Counseling	93.044	(1)	10/01/03	09/30/04	33,800
Title III Outreach/Resource Advocacy	93.044	(1)	10/01/03	09/30/04	69,438
Grandparents Raising Grandchildren - Clerical Support	93.044	(1)	10/01/03	09/30/04	9,000
Congregate Nutrition Programs	93.045	(1)	10/01/03	09/30/04	603,722
Home Delivered Meals	93.045	(1)	10/01/03	09/30/04	660,592

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U.S. Department of Health and Human Services					
Passed through State Department of Community Health					
Tuberculosis Control, Directly Observed Therapy	93.116	10/01/03	09/30/04	31,746	31,746
Macomb Homeless Project	93.150	10/01/03	09/30/04	12,000	12,000
Utopia Homeless Project	93.150	10/01/03	09/30/04	86,040	86,040
Family Planning - General Services - Reg. Alloc.	93.217	10/01/03	09/30/04	161,005	161,005
Immunizations - IAP	93.268	10/01/03	09/30/04	325,569	325,569
Immunization Grants	93.268	10/01/03	09/30/04	1,701,927	1,701,927
VFC Provider Sites Visited	93.268	10/01/03	09/30/04	10,400	10,400
MI Child	93.767	10/01/03	09/30/04	82,040	82,040
MI Child - Substance Abuse	93.767	10/01/03	09/30/04	8,057	8,057
CSHCS Outreach Advocacy	93.778	10/01/03	09/30/04	20,440	20,440
CSHCS Care Coordination	93.778	10/01/03	09/30/04	5,490	5,490
Maternal & Child Outreach, Enrollment & Coordination	93.994	10/01/03	09/30/04	35,090	35,090
OBRA Assessment	93.778	10/01/03	09/30/04	424,898	424,898
Juvenile Justice Diversion	93.958	10/01/03	09/30/04	50,000	50,000
CSHCS Outreach & Advocacy Reg Alloc.	93.994	10/01/03	09/30/04	34,852	34,852
Alcohol/Drug Abuse Mental Health Block Grant	93.959	10/01/03	09/30/04	2,718,716	2,718,716
Sexually Transmitted Disease - Std Control	93.991	10/01/03	09/30/04	44,186	44,186
Bio Terrorism - Focus A	93.283	*	10/01/03	228,457	228,457
West Nile Supplemental	93.283	*	10/01/03	5,000	5,000
Smallpox Vaccination Admin	93.283	*	10/01/03	2,000	2,000
Children's Respite	93.958	10/01/03	09/30/04	14,308	14,308

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U.S. Department of Health and Human Services					
Passed through State Department of Community Health Local MCH Program	93.994	10/01/03	09/30/04	196,271	196,271
SIDS Counseling	93.994	10/01/03	09/30/04	1,190	1,190
Arab American - Chaldean Anti Stigma	93.958	10/01/03	09/30/04	75,000	62,408
Adult Benefits Waiver	93.767	10/01/03	09/30/04	129,707	129,707
SIDS Autopsies	93.994	10/01/03	09/30/04	4,800	4,800
Bioterrorism - Focus B	93.283 *	10/01/03	09/30/04	165,484	165,484
Bioterrorism - Focus E	93.283 *	10/01/03	09/30/04	112,212	112,212
Bioterrorism - Focus F	93.283 *	10/01/03	09/30/04	20,950	11,565
Bioterrorism - Focus G	93.283 *	10/01/03	09/30/04	45,897	45,897
Liberties Coffee House	93.958	10/01/03	09/30/04	6,110	4,673
Liberties Computer Lab	93.958	10/01/03	09/30/04	9,235	9,235
Friendship House - Micro Enterprise Unit	93.958	10/01/03	09/30/04	41,728	33,879
Passed through State Family Independence Agency					
St. Clair Project Zero	93.558	10/01/03	09/30/04	199,783	144,408
Cooperative Reimbursement Program-Incentive	93.560	10/01/03	09/30/04	835,334	835,334
Friend of the Court - IV D Program	93.563 *	10/01/03	09/30/04	5,050,807	4,462,237
Friend of the Court: Medical Support	93.563 *	10/01/03	09/30/04	157,226	103,769
Prosecuting Attorney - Child Support Enforcement	93.563 *	10/01/03	09/30/04	632,418	632,418
LIHEAP	93.568	09/01/03	09/30/04	292,667	292,667

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Period		Receipts or Revenue Recognized	Federal Expenditures Current Year
		From	To		
U.S. Department of Health and Human Services					
Passed through State Family Independence Agency					
CAA Administration	93.569	10/01/03	09/30/04	137,118	137,118
General Community Programming	93.569	10/01/03	09/30/04	566,803	566,803
Child Care Licensing	93.575	(1)	10/01/03	12,240	12,240
Community Coordinated Child Care	93.575	(1)	10/01/03	184,400	175,935
Child Care Development Block Grant	93.596	(1)	10/01/03	153,630	153,630
Parent - To - Parent	93.667	10/01/03	09/30/04	32,000	11,296
Youth Mentor Can	93.667	10/01/03	09/30/04	45,000	36,807
Low Income Home Energy Assistance Program - Crisis Assist	93.568	10/01/03	09/30/04	25,000	25,000
Community Services Block Grant - Discretionary	93.569	06/01/04	09/30/04	24,975	24,975
Community Services Block Grant - Discretionary EITC	93.569	10/01/03	09/30/04	15,000	15,000
Passed through State Department of Career Development					
Workfirst TANF	93.558	10/01/03	09/30/04	1,156,348	1,137,251
Supportive Services	93.558	10/01/03	09/30/04	155,000	155,000
Temporary Assistance for Needy Families (TANF)	93.558	10/01/03	09/30/04	104,280	104,280
Total U.S. Department of Health and Human Services					
Total Federal Financial Assistance				\$ 63,823,534	\$ 46,480,246

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The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Macomb County, Michigan
Notes to Schedule of Expenditures of Federal Awards
December 31, 2004

1. Financial Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Macomb County. The Macomb County reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Macomb County and is presented on the modified accrual basis of accounting, which is described in Note 1 of the County's basic financial statements. The information in this schedule is presented in conformity with the requirements of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

3. Program Periods

The accompanying Schedule of Expenditures of Federal Awards presents all programs with grant periods ending in 2004. Program periods have been shown, and not for the period covered by Macomb County's basic financial statements. Disclosure in this manner is in accordance with the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Macomb County, Michigan
Schedule of Findings and Questioned Costs
Year Ended December 31, 2004

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>	
Internal control over financial reporting:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X None reported	
Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X None reported	
Non-compliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No	

Federal Awards

Internal control over major programs:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X None reported	
Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X None reported	
Type of auditor’s report issued on compliance for Major programs:	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No	
Dollar threshold used to distinguish between type A and type B programs:	<u>\$1,394,407</u>	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No	

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A risk-based approach is used to determine which federal programs are major programs. This approach includes consideration of current and prior audit experience, oversight by pass-through agencies and inherent risk of the federal program. A threshold of \$1,394,407 is used to distinguish between Type A and Type B programs as described in Section 520(b) of U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Major programs are noted by an (*) following the program name and CFDA number, program clusters are noted by a (1) following the program name and CFDA Number. Major programs and clusters of programs constituting a major program in total are also listed below:

Federal Grantor/Pass-Through Grantor/Program Title/Cluster	Federal CFDA Number	Federal Expenditures Current Year
U.S. Department of Labor		
<u>WIA Cluster</u>		
Workforce Investment Act - Adult	17.258	3,731,166
Workforce Investment Act - Youth Activities	17.259	2,206,070
Workforce Investment Act - Dislocated Workers	17.260	4,055,768
Workforce Investment Act - One Stop Service Center	17.260	458,673
Workfirst Investment Act - National Emergency Grant	17.260	<u>237,751</u>
		\$ 10,689,428
U.S. Department of Health and Human Services		
Friend of the Court - IVD Program	93.563	4,462,237
Friend of the Court - Medical Support	93.563	103,769
Prosecuting Attorney - Child Support Enforcement	93.563	<u>632,418</u>
		5,198,424
Bioterrorism - Focus B	93.283	165,484
Bioterrorism - Focus E	93.283	112,212
Bioterrorism - Focus F	93.283	11,565
Bioterrorism - Focus G	93.283	45,897
Bioterrorism - Focus A	93.283	228,457
West Nile Supplemental	93.283	5,000
Smallpox vaccination Admin	93.283	<u>2,000</u>
		570,615
U.S. Department of Justice		
Adult Drug Court - BYRNE Formula Grant	16.579	150,096
Passed through State Department of Community Health		
Substance Abuse Treatment	16.579	105,771
Anti-Drug Abuse	16.579	125,400
Street Level Enforcement Team	16.579	197,600
Byrne Formula Grant Program	16.579	106,484
Juvenile Drug Court	16.579	<u>100,000</u>
		785,351
U.S. Federal Emergency Management Agency		
2004 State Homeland Security	97.004	260,155
2004 LEIPP	97.004	35,033
SMSGP Part II Training	97.004	<u>5,502</u>
		300,690
Total Disbursements/ Expenditures		<u>\$ 17,544,508</u>

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Schedule of Findings and Questioned Costs
Year Ended December 31, 2004

Section II – Financial Statement Findings

Current-Year Findings

None.

Section III – Federal Award Findings and Questioned Costs

Current-Year Finding

None.

Macomb County, Michigan
Schedule of Status of Prior-Year Findings and Questioned Costs
Year Ended December 31, 2004

No prior-year findings or questioned costs.